

# Wisconsin State Legislature

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## **Joint Committee on Finance** *100<sup>TH</sup> ANNIVERSARY 1911 - 2011*

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative Robin Vos

Date: April 4, 2011

Re: DHS Report to JFC

Attached is a report on BadgerCare Plus Basic from the Department of Health Services, pursuant to s. 49.67, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



State of Wisconsin  
Department of Health Services

Scott Walker, Governor  
Dennis G. Smith, Secretary

RECEIVED  
APR 04 2011  
BY: J. Finance

April 1, 2011

The Honorable Alberta Darling, Co-Chair  
Joint Committee on Finance  
317 East, State Capitol  
Madison, WI 53702

The Honorable Robin Vos, Co-Chair  
Joint Committee on Finance  
309 East, State Capitol  
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter and the attached statistics fulfill the Department's legislative reporting requirements for BadgerCare Plus Basic under section 49.67 of the Wisconsin Statutes.

Just two weeks ago, the Department announced a freeze on new enrollment in Basic because program expenditures outpaced revenue by nearly \$2 million by the end of February 2011. The Department also announced a monthly premium increase from \$130 to \$200 for members already enrolled, beginning with the payment for June coverage which is due May 5.

As I said when I announced these changes, the good intentions behind the creation of Basic were overshadowed by woefully unrealistic economic assumptions. The previous administration tried to plug the hole by using a federal grant to fund the program and by moving more than 500 Basic members with significant health care needs to the Core Plan.

Unfortunately, these solutions are not sustainable. The federal grant funding was intended to be a one-time reserve and Core Plan funding has already been maxed-out. To assure that Wisconsin taxpayers are not strapped with costs they were never intended to cover, the Department will manage by freezing enrollment and adjusting premiums.

Per the specific reporting requirements identified in s.49.67(9g), claims payments for Basic totaled \$5.83 million through February 2011. Premium revenue totaling \$4.18 million had been collected as of the same date. Reserve revenue of \$1 million that the Department had allocated to support Basic through the federal State Health Access Program (SHAP) grant administered by the Health Resource Services Administration (HRSA) has been spent.

No changes to provider payment rates have been implemented since the program began on July 1, 2010. In addition to the increase in monthly premiums from \$130 to \$200 beginning with the June coverage payment due May 5, DHS has discontinued the quarterly, semi-annual and annual premium options that provided further payment discount opportunities to members.

Effective January 1, 2011, Basic benefits and cost-sharing were adjusted as follows:

- Co-payments for brand name prescriptions are increasing from \$5 to \$10.
- Radiology co-payments, tiered at \$5 and \$20, will be implemented.
- Vaccination co-payments of \$10 will be implemented.
- Covered emergency room visits will be reduced from five to two per enrollment year.

As of March 21, 2011, 6,098 people were enrolled in BadgerCare Plus Basic. Member demographic information, including age, gender and county of residence, is attached. To apply for Basic, an individual must have reported income and insurance information to determine whether the applicant was eligible to be added to the Core waitlist. Since enrollment for Basic began, 1,054 Basic applicants were determined ineligible at the point of applying for the Core waitlist.

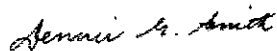
Once individuals have enrolled, the Basic verification process uses a variety of wage, income and insurance databases to verify the information members have reported. Disparities trigger DHS follow-up and potential disenrollment. As of March 15, DHS had determined 140 individuals ineligible for Basic due to exceeding the income limit or having other insurance.

In July, the Centers for Medicare and Medicaid Services (CMS) approved the Department's amendment to the Core Plan waiver to create a waitlist bypass into Core for Basic members based on medical severity. The initial medical criterion for this policy was a cancer diagnosis. In December 2010, the Department expanded the criteria to include severe cardiac conditions. More than 500 Basic members have transitioned to Core as a result of these policies. The Department has frozen the waitlist bypass option for Basic members to move to Core because it is not a sustainable strategy and Core funding has been maxed-out.

The Department is committed to assisting those on the Core Plan waitlist and those who may now wish to disenroll from Basic in finding more stable insurance options that can better address their needs.

We will continue to keep members of the Legislature informed as we try to keep Basic viable for current members while attending to our financial management responsibilities for this program.

Sincerely,



Dennis G. Smith  
Secretary

# BC+ Basic Members by County

County	Members
ADAMS	37
ASHLAND	23
BARRON	55
BAYFIELD	26
BROWN	174
BUFFALO	16
BURNETT	37
CALUMET	22
CHIPPEWA	52
CLARK	37
COLUMBIA	65
CRAWFORD	18
DANE	333
DODGE	74
DOOR	46
DOUGLAS	24
DUNN	39
EAU CLAIRE	68
FLORENCE	12
FOND DU LAC	80
FOREST	15
GRANT	51
GREEN	26
GREEN LAKE	18
IOWA	24
IRON	16
JACKSON	17
JEFFERSON	87
JUNEAU	50
KENOSHA	185
KEWAUNEE	16
LA CROSSE	69
LAFAYETTE	26
LANGLADE	42
LINCOLN	32
MANITOWOC	86
MARATHON	90
MARINETTE	65
MARQUETTE	30
MILWAUKEE	874
MONROE	30
OCONTO	59
ONEIDA	46
OUTAGAMIE	123
OZAUKEE	58
PEPIN	07
PIERCE	25
POLK	60
PORTAGE	66
PRICE	25
RACINE	166
RICHLAND	12
ROCK	131
RUSK	14
ST. CROIX	53
SAUK	60
SAWYER	23
SHAWANO	41
SHEBOYGAN	96
TAYLOR	32
TREMPEALEAU	19
VERNON	40
VILAS	49
WALWORTH	121
WASHBURN	25
WASHINGTON	112
WAUKESHA	275
WAUPACA	42
WAUSHARA	33
WINNEBAGO	84
WOOD	76
MENOMINEE	02
RED CLIFF T1	01
POTAWATOMI T1	02
LAC DU FLAMBEAU T1	01
<b>Total</b>	<b>5066</b>

# BC+ Basic Members by Gender

Female	Male	Total
2730	2336	5066

# BC+ Basic Members by Income (as a % of Federal Poverty)

FPL % Range	Household Size 1	Household Size 2	Total
No Income	1808	108	1916
0% to 9.99% FPL	31	3	34
10% to 19.99% FPL	37	3	40
20% to 29.99% FPL	63	5	68
30% to 39.99% FPL	79	7	86
40% to 49.99% FPL	83	6	89
50% to 59.99% FPL	97	6	103
60% to 69.99% FPL	139	10	149
70% to 79.99% FPL	147	8	155
80% to 89.99% FPL	195	5	200
90% to 99.99% FPL	174	16	190
100% to 109.99% FPL	156	13	169
110% to 119.99% FPL	203	18	221
120% to 129.99% FPL	186	17	203
130% to 139.99% FPL	189	12	201
140% to 149.99% FPL	200	9	209
150% to 159.99% FPL	197	11	208
160% to 169.99% FPL	246	10	256
170% to 179.99% FPL	265	15	280
180% to 189.99% FPL	133	13	146
190% to 199.99% FPL	127	16	143
<b>Total</b>	<b>4755</b>	<b>311</b>	<b>5066</b>

# BC+ Basic Members by Age

Age	Count
Up to 30	908
31 to 40	468
41 to 50	1081
51 to 60	1912
61 to 64	697
<b>Total</b>	<b>5066</b>